

CONFIDENTIAL

OGC HAS
REVIEWED.

Chrono

6 NOV 1958

MEMORANDUM FOR: Director of Security

FROM : Chief, Finance Division

SUBJECT : Compensation Paid Independent Contractors

1. Internal Revenue Service Regulations require any person (including organizations) making payments in trade or business to another person for fees, commissions and other compensations for services to submit a separate information return on Form 1099 for each person to whom payments were made of at least six hundred dollars during a calendar year. The information return must also include travel or other expense allowances if the individual is not required to submit an itemized expense account to the employer.

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2. As per previous conversations on this subject, those individuals who are employed by the Office of Security under contract, appear to meet the criteria stated above and compensation paid to these individuals should be covered by Form 1099 issued by the Agency. The Form 1099 can be issued in the names of any employers determined to be appropriate by the Office of Security. Such 1099's will not reflect amounts paid for travel and other expenses since these items are accounted for in detail in every instance.

3. Attached is a list of the individuals involved reflecting amounts paid as compensation during the period 1 January 1958 to date.

4. It is planned that Form 1099 be issued in January 1959, for these individuals for calendar year 1958 and each year thereafter. It is requested that the employer names to be utilized for each individual listed, be furnished this office as soon as possible.

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Attachment

CONCUR:

Orig. and 1 - Addressee
1 - OGC

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Accts
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